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**MICRO
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24 September 1974

MEMORANDUM FOR:

[REDACTED]
NIO/South and Southeast Asia

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SUBJECT : Foreign Military Assistance to
South Asian Countries

Attached is the information you requested for the
briefing paper for Dr. Kissinger's South Asian trip. If
you need additional information please contact [REDACTED]

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[REDACTED]
Office of Economic Research

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Attachment:
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Foreign Military Assistance to South
Asian Countries

The countries of South Asia have purchased or received as grant aid over \$2.5 billion of military equipment during 1966-June 1974 [redacted] Our analysis shows that:

- About half of this equipment has been ordered since January 1971.
- The pace of military procurement is expected to increase significantly over the next 12-18 months.
- No major shift in the source of supplies is expected.

The pattern of arms flows to the area's major recipients shifted sharply after 1965 as a result of US-UK arms embargo designed to halt the Indo-Pakistan War. The loss of these traditional suppliers compelled India and Pakistan to turn elsewhere.

India

New Delhi found the USSR a willing source capable of meeting many of its requirements. Since 1965 Moscow:

- Has sold over \$1 billion worth of military equipment [redacted]
- Has delivered MIG-21 jet fighters, medium tanks, OSA guided missile patrol boats, and surface-to-air missiles.

The Soviet program has been supplemented by deliveries of ground forces equipment from Czechoslovakia and to a lesser extent by Poland and Bulgaria.

Purchases from the West, while modest, have encompassed a wide range of equipment. The UK, India's major Western supplier, has provided helicopters, self-propelled artillery, and the Tiger-cat missile system. Other suppliers including the US and France have delivered primarily support equipment.

In addition to foreign purchases, India rapidly expanded indigenous manufacturing capability and now fills more than half of its requirements from domestic production.

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India's projected defense requirements are aimed at a rapid improvement in weapons technology. Plans for the late 1970s call for:

- Replacement of many of its jet fighters and jet bombers with more modern aircraft.
- Increased surface-to-air missile capability.
- Modernization of naval forces.

The USSR probably will remain India's major foreign source of arms through the 1970s. Domestic production will meet only a small portion of India's new requirements.

Western arms suppliers probably will provide primary spare parts and replacements for equipment already in India's inventories as well as technical assistance and some components under expanding licensed production programs. Jet fighter replacements appears to be the only area in which Western equipment may eventually replace Soviet hardware.

Pakistan

China supplies a large part of Islamabad's requirements but has not made available the range of sophisticated weaponry that the USSR is exporting to India. Peking has agreed:

- To provide Islamabad with almost \$300 million of arms [redacted]
- To deliver ground forces equipment and MIG-19 jet fighters.
- To aid in expanding the ordnance facility at Wah and to provide a tank repair workshop and production facility.

Other Communist suppliers have provided helicopters (USSR) vehicles (Czechoslovakia), and artillery (North Korea).

Pakistan has received its most sophisticated equipment from France and expects to increase purchases even further.

- Agreements have covered Mirage jet fighters, helicopters, air-to-air missiles, and the Crotale surface-to-air missile system.

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US assistance has consisted of non-lethal equipment and spare parts. Pakistan, however, is expected to renew requests for lethal equipment including jet fighters and training aircraft as well as for a rebuild facility for M-47 and M-48 tank engines.

Afghanistan

Afghanistan is almost totally dependent on the USSR for military equipment and seems quite satisfied with the arrangement [redacted] During the past year Moscow:

- Has been modernizing Afghanistan's arms inventory.
- Has delivered a new generation of armored vehicles including T-62 tanks and BMP infantry combat vehicles.

Bangladesh

Bangladesh's arms requirements are limited and with the exception of some Soviet aircraft have been met by India [redacted]

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